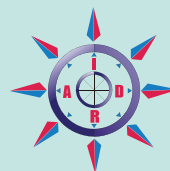


Local Government Services, Accountability and Local Economic Growth

LGPA 2008 City Surveys



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Introduction

USAID LGPA Project

USAID's Local Governance Program in Albania (LGPA) works with ten municipalities throughout Albania to foster local economic growth, improve local governance, and strengthen civic and private sector engagement in local development. LGPA's partner municipalities are Fier, Fushë Krujë, Gramsh, Himarë, Korçë, Kukës, Lezhë, Librazhd, Pogradec, and Shkodër. LGPA will encourage and facilitate local economic growth in target municipalities in order to increase investment, create jobs, raise incomes, and ultimately, expand the municipal tax base. LGPA will also provide technical assistance and on-the-job training to staff in the ten target municipalities on a variety of governance issues, including tax collection, asset management, budgeting, procurement, and service provision. The 45-month, \$7.3 million project will strengthen the involvement of local civil society groups and businesses in the local government process.

Local Economic Growth

LGPA encourages and facilitates local economic growth in target municipalities. A bi-partisan and broadly representative Local Economic Growth Committee is established in each target municipality, including representatives of the public, private and civil society sectors. The Local Economic Growth Committees developed a strategic vision of the future economic development of the municipality and prioritizes immediate actions within the context of a short-term

local economic development plan. The Committee identifies immediate public service improvement opportunities that help attract investment. LGPA works with the Local Economic Growth Committees to promote the municipality and to identify and attract potential investors.

Local Governance

LGPA provides technical assistance and on-the-job training to staff in the ten target municipalities. This component both capitalizes on and enhances efforts undertaken in the Local Economic Growth component. Through better asset management practices, the municipality identifies assets that can be leased or disposed of to private investors for improvement. Improved tax collection allows the municipality to capture increased taxes from greater economic growth. Increased revenues from better asset management and tax collection allows target municipalities to improve the quality and efficiency of services provided to citizens and businesses.

Civic and Private Sector Engagement

Target municipalities strengthen the involvement of local civil society groups, special interest groups, and business in the local government process. This is accomplished by including the civic and private sectors in Local Economic Growth Committees, establishing participatory budgeting mechanisms, and creating local government outreach tools such as newsletters

and websites. Transparency of target municipalities is increased through open council meetings, open processes for purchasing, leasing and disposing of municipal assets, and an open budget process.

Citizen Surveys

This report presents the summary results of a citizen survey on local government performance commissioned by the USAID/LGPA project in Albania. The survey was conducted by the Institute for Development Research and Alternatives (IDRA).

The Local Government Survey was conducted during the month of April 2008 and consisted of a total random representative sample of 4,774 Albanian citizens.

- The survey had two components:
 - The Target Cities Survey, which covered 10 Cities (municipalities) selected by LGPA as recipients of technical assistance in the areas of Local Economic Growth, Local Governance, and Civic and Private sector Engagement namely: Kukës, Shkodër, Lezhë, Fushë Krujë, Gramsh, Librazhd, Korçë, Pogradec, Fier, and Himarë.
 - *The Control Cities Survey* involved ten randomly selected cities that are not part of the LGPA program. The survey was conducted for comparative purposes of **recipient vs. non-recipient municipalities**.

In this report, the results are presented for each target city and the control cities sample. In this way comparisons can be made both between target cities and control cities sample and between target cities themselves.

Key Findings

Primary Concerns

- *Employment/lack of employment opportunities* is the number one concern in all cities surveyed with the exception of Himarë. The issue of unemployment is very much related with *economic problems* and *poverty/social issues*, which are also mentioned as major concerns. *Weak infrastructure* also appears to be a problem that the cities are facing according to citizens.

Satisfaction with Public Services

- Satisfaction from public services varies in each target municipality. Citizens are generally satisfied with drinking water supply and street lighting, while satisfaction from roads and sewage service tends to be lower.

Accountability and Responsiveness

- Aspects of municipal administrative services such as behavior of municipal employees, timely service, convenience of office hours and clear procedures were generally rated good. Rating on other aspects such as the ability to solve problems, easy access to the right person, feeling of trust and confidence varies in each municipality.
- Rating of the performance of municipal employees is generally good in most target cities.

Local Economic Growth Issues

- Most citizens think that the economy is either “Stagnant” or is “Declining.” When asked about their living standards compared to 12 months ago, the majority of respondents in each city maintained that it has either stayed the same or has worsened.
- Generally, tourism and construction are thought to be the most promising sectors for economic growth according to citizens. However, there are noted differences from city to city.
- In most cities, the majority of citizens think that their local government has poor involvement in encouraging and managing economic growth in their cities. However, there are some signs of optimism about the future role of local government in managing economic growth.

Local Government Borrowing

- In principle, citizens are inclined to favor local government borrowing. In most of the cities, the majority of citizens responded favorably to the idea. However, when the respondents who favored the idea of local government borrowing were asked if they would still favor the idea if it results in higher tariffs for citizens, many citizens expressed reluctance.

Quality of Life

- Most citizens (more than 62%) of target cities rate the quality of life in the city as good (Fig. 1).
- The highest rating is found in Lezhë with about 79% saying that quality of life is “very good” or “good.”
- Compared to the Local Government National Surveys of 2005 and 2007, conducted by USAID, no statistically significant change is noticed in the percentage of citizens who think that quality of life is “very good” or “good” (Fig. 2).

Fig. 1

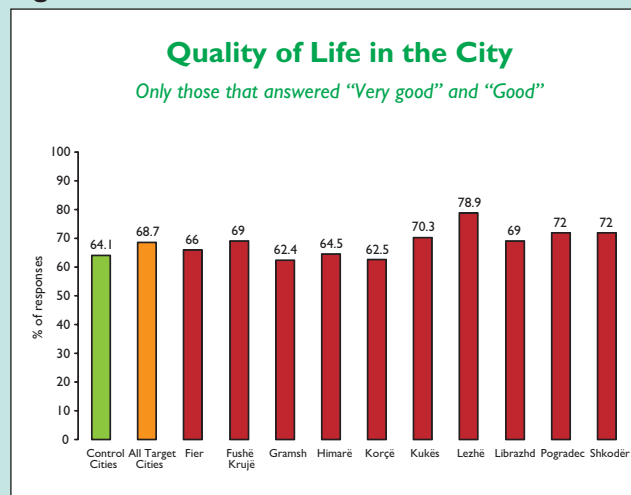
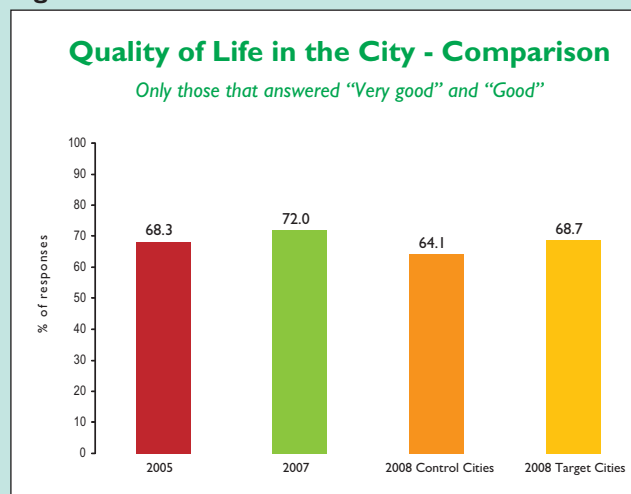


Fig. 2



Problems Cities Face

Citizens were asked to name in ranked order the three most important problems that their city is facing. Table I presents only the results of **the first ranked problem** that the city is facing according to citizens and shows only the 5 most frequently provided answers.

Table I. Most Important Problem Your City is Facing

First mentioned/most important problem facing the cities		Ranking 1	Ranking 2	Ranking 3	Ranking 4	Ranking 5
Control Cities	Problems	Unemployment	Weak infrastructure	Economic problems	Electricity	Environmental problems
	% of responses	31.8	23.3	17.9	7.3	5.8
Fier	Problems	Unemployment	Weak infrastructure	Economic problems	Environmental problems	Poverty / social services
	% of responses	26.5	17.8	15.8	13.0	6.3
Fushë- Krujë	Problems	Unemployment	Weak infrastructure	Economic problems	Electricity	Environmental problems
	% of responses	44.0	11.5	11.2	10.7	7.6
Gramsh	Problems	Unemployment	Economic problems	Poverty / social services	Weak infrastructure	Education
	% of responses	81.5	5.3	5.1	2.5	1.5
Himarë	Problems	Weak infrastructure	Unemployment	Economic problems	Electricity	Environmental problems
	% of responses	45.0	15.2	9.0	6.4	2.6
Korcë	Problems	Unemployment	Economic problems	Weak infrastructure	Poverty / social services	Environmental problems
	% of responses	44.8	17.8	13.5	8.0	5.0
Kukës	Problems	Unemployment	Economic problems	Education	Health Service	Poverty / social services
	% of responses	46.5	24.0	6.1	4.1	3.8
Lezhë	Problems	Unemployment	Weak infrastructure	Economic problems	Environmental problems	Electricity
	% of responses	35.8	28.3	13.8	10.3	3.0
Librazhd	Problems	Unemployment	Economic problems	Weak infrastructure	Poverty / social services	Environmental problems
	% of responses	62.5	13.6	9.3	5.5	3.5
Pogradec	Problems	Unemployment	Economic problems	Weak infrastructure	Poverty / social services	Environmental problems
	% of responses	45.75	20.25	8.5	7.5	5
Shkodër	Problems	Unemployment	Economic problems	Weak infrastructure	Poverty / social services	Electricity
	% of responses	43.1	21.1	7.0	5.5	4.3

- **Employment/lack of employment opportunities** is the number one concern in all cities surveyed with the exception of Himarë. It illustrates that encouraging local economic growth, which would generate jobs, is a challenge that almost all cities face. Smaller cities appear to be most concerned with the issue of unemployment (such as Gramsh and Librazhd with 81.5% and 62.5% respectively stating unemployment as the first problem in their city).

The issue of unemployment is very much related with **economic problems** and **poverty/social issues**, which are also listed as major concerns of citizens about their cities. In Fier (Fig. 3) and Himarë (Fig. 4) the percentage of responses about unemployment is lower than in control cities (Fier is only slightly lower with 26.5% and Himarë with 15.2%). All other target cities have a higher percentage of citizens stating that unemployment is the number one problem compared to control cities.

- **Weak infrastructure** is also a problem that cities are facing according to citizens. In Himarë, 45% of respondents mentioned this as the first most important problem. Lezhë and Fier follow with high percentages of citizens mentioning weak infrastructure (28.3% and 17.8% respectively).
- **Environmental problems** appear to be a concern in Fier with 13% of responses and in Fushë Krujë with 7.6% of responses.

Fig. 3

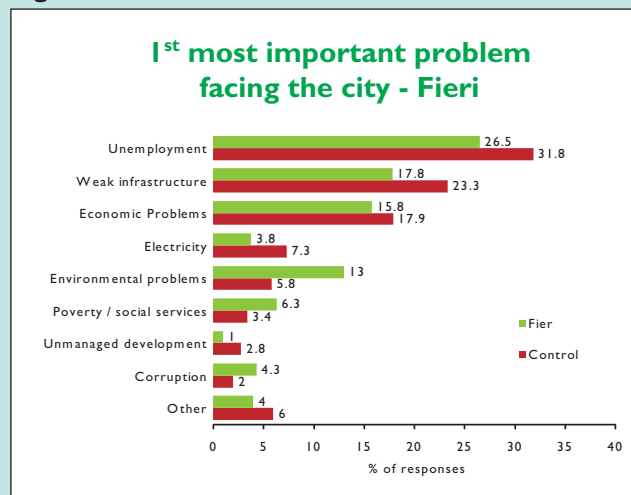
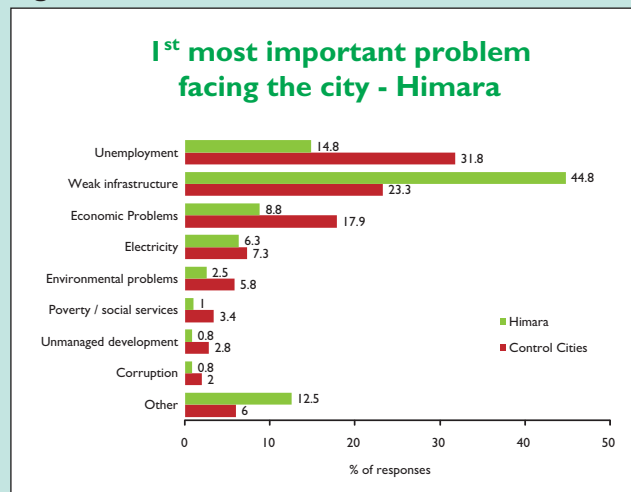


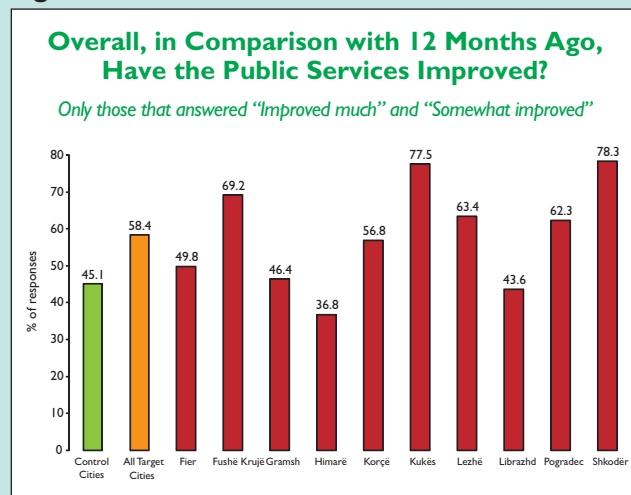
Fig. 4



Satisfaction with Services and Priorities for Improvements

- There are differences among cities in satisfaction rates of citizens with various public services. Some cities such as Shkodër, Kukës and Fushë Krujë appear to do better in providing public services to citizens as evaluated by the responses of respondents in each city. Himarë, Librazhd, Gramsh and Fier are rated lower in perception of the public services (Fig. 5).
- In general, for all public services, the satisfaction rates in target cities, is higher compared to control cities, despite the random selection of the latter.

Fig. 5



Maintenance of Roads Within City Boundaries

- Kukës citizens are the most satisfied with maintenance of roads within the city where almost 83% of respondents answered “Very satisfied” or “Satisfied.” Fushe Krujë is the second city with the highest satisfaction rate (69% of citizens were satisfied). The least satisfied citizens in comparison to other cities are citizens of Himarë with only 30% of respondents satisfied with this service. Korça municipality follows Himarë with only 42% of citizens’ satisfied (Fig. 6).

Drinking Water Supply

- The municipalities of Korçë and Librazhd report almost a full satisfaction rate with almost all citizens reporting satisfaction with the drinking water supply service (Fig.7). Gramsh follows with almost 95% of citizens being satisfied. In comparison with all other cities, Himarë citizens report a low satisfaction rate (37.3% report satisfaction).

Fig. 6

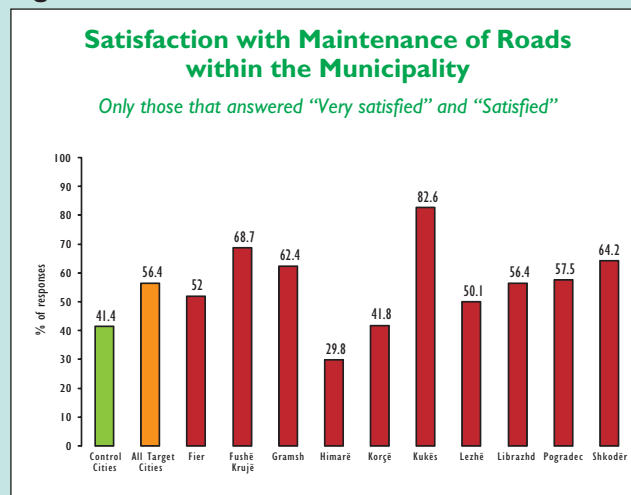
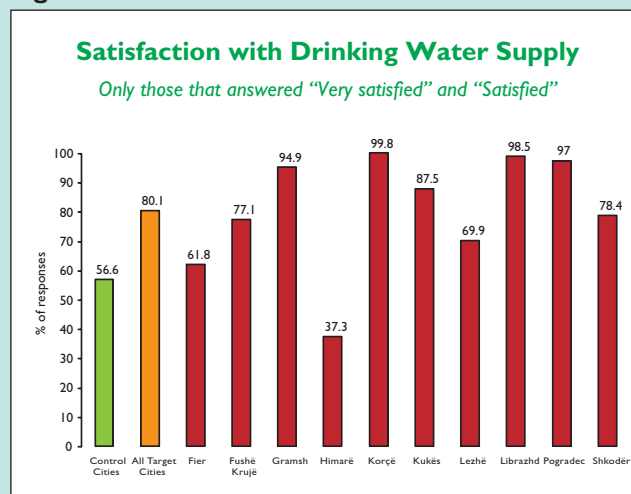


Fig. 7



Sewage Service

- Himarë, Lezhë, and Fier report the lowest satisfaction rates on sewage service (Fig. 8). Himarë continues to have the lowest satisfaction rate with only 31% of citizens reporting to be satisfied with the sewage service, followed by Lezhë with 40% and Fier with 46%. The highest satisfaction rates are noted in Gramsh and Librazhd with 76.6% and 73.6% respectively.

Street Lighting

- With the exception of Himarë, in all other cities, the majority of respondents is satisfied with street lighting service (Fig. 9). Pogradec, Gramsh and Fushë Krujë have the highest satisfaction rates.

Fig. 8

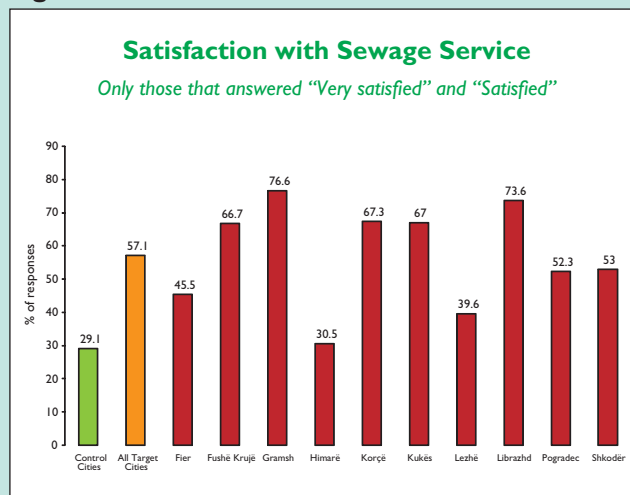
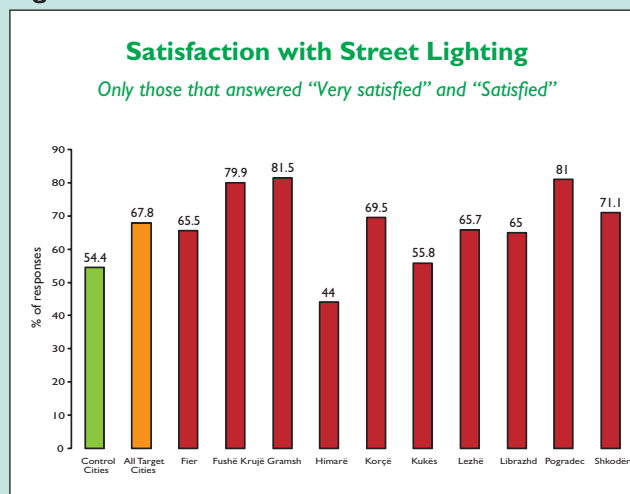


Fig. 9



Cleaning Service (Garbage Collection and Disposal, Street Cleaning, etc.)

- Even for cleaning service, Himarë scores the lowest satisfaction rate with only 35% of respondents expressing satisfaction (Fig.10). Shkodër and Lezhë follow with satisfaction rates of 43.4% and 50% respectively.
- The highest satisfaction rate is noted in Gramsh (78% satisfaction rate), Kukës (71% satisfaction rate) and Librazhd (68% satisfaction rate).

Maintenance of Pre-University School Buildings

- On average, the satisfaction rate for the maintenance of pre-university school buildings is higher than other services rated. There is little difference in the satisfaction rate from city to city with the exception of Himarë (Fig.11).

Fig. 10

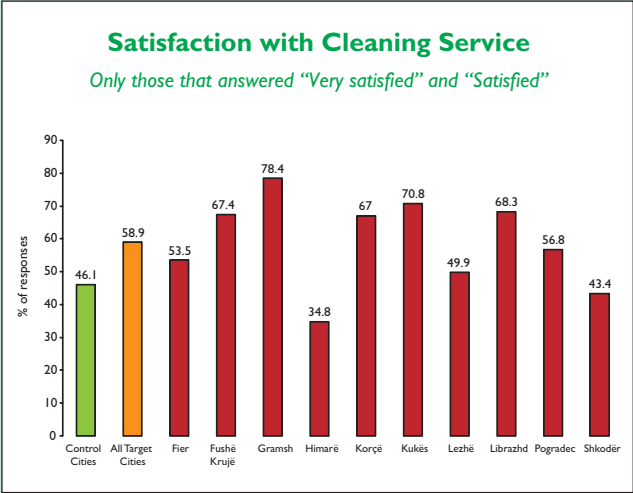
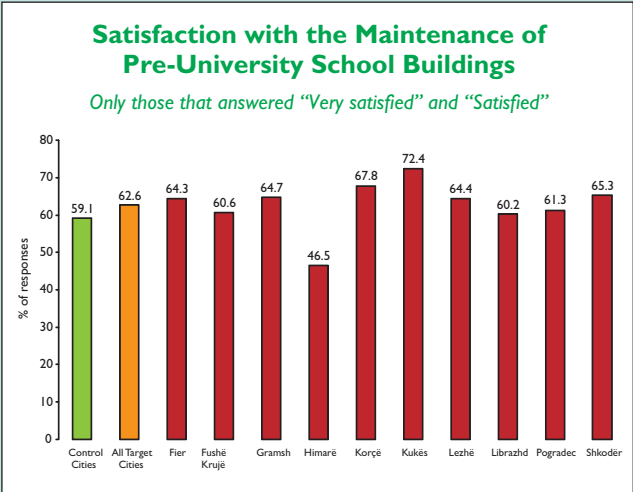


Fig. 11



Accountability and Responsiveness

- Citizens were asked about their opinion on a number of accountability and responsiveness aspects including perception of local government openness to citizen participation, local government fairness and transparency, as well as reflection of citizen priorities in its agenda. Citizens also rated several aspects of the local officials' service quality: behavior, timely service, convenience of opening hours, ability to solve problems, clear and exact procedures and feeling of trust.
- In comparison with 12 months ago, the local government operations are perceived as improved more often in Fushë Krujë, Kukës, Lezhë and Korçë. Local government in Gramsh, Himarë and Fier is rated lower in this respect (Fig. 12).
- The highest satisfaction with the behavior of municipal employees (more than 80% of citizens) is found in Gramsh, Lezhë, Pogradec and Librazhd. Cities who are next in the ranking on this aspect are Fushë Krujë (78.6%), Korçë (78.5%) and Kukës (75%) (Fig. 13). Satisfaction with municipal employee behavior is significantly lower among Shkodër (46.7%) and Himarë (50.3%) citizens as compared to other target or control cities.

Fig. 12

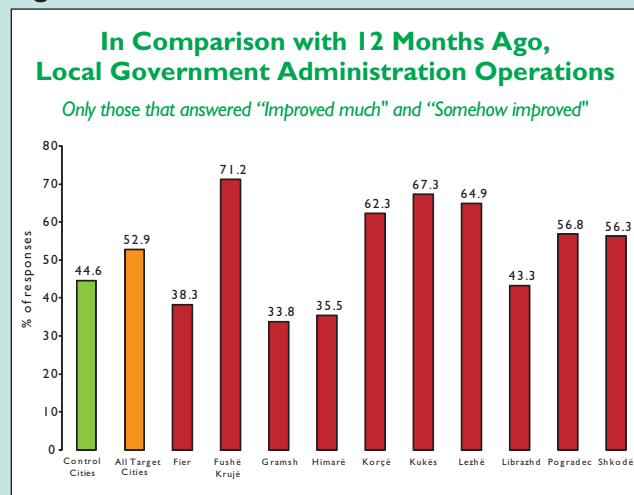
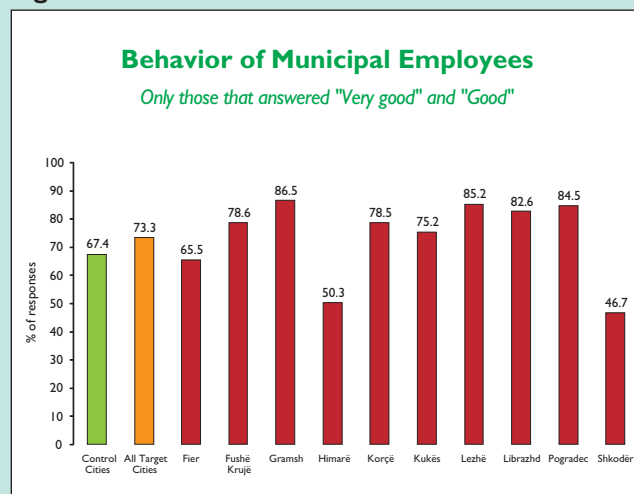


Fig. 13



- Cities who have been rated highly in the ability to solve problems/give answers are: i) Lezhë (74%), ii) Fushë Krujë (69%) and iii) Pogradec (65%). More than half of Kukës, Korçë and Librazhd citizens have rated this ability as “very good” or “good” (Fig.14). However, this is not significantly different from control cities results. Cities where citizens’ satisfaction on this aspect is lower than in control cities or other target cities are Shkodër (40%), Himarë (42%), Fier (44.5%) and Gramsh (47%).
- Most citizens in Fushë Krujë (73%) and Librazhd (71%) think that it is easy to contact the right person at the municipality. Gramsh is the third most positively ranked in this respect with 64% (Fig.15).
- The cities of Kukës (57%), Lezhë (55.4%), Pogradec (54.5%) Himarë (50%) and Korçë (44.5%) have no significant difference from control cities relative to how easy it is to contact the proper person in the municipality. Shkodër and Fier are doing worse in this respect with only 33.4% and 39% of citizens respectively saying that it is easy to contact the right person.

Fig. 14

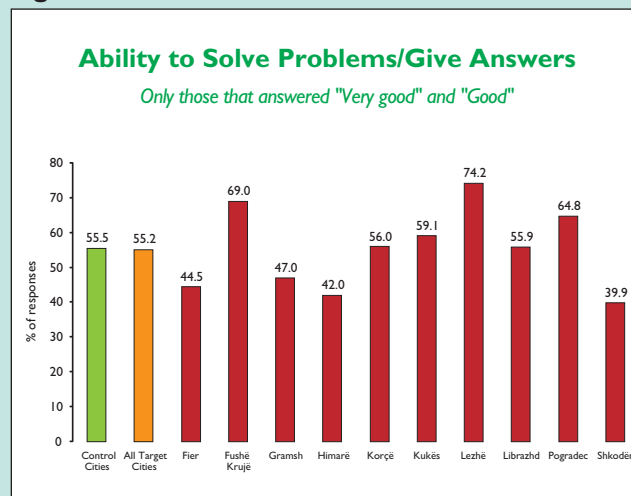
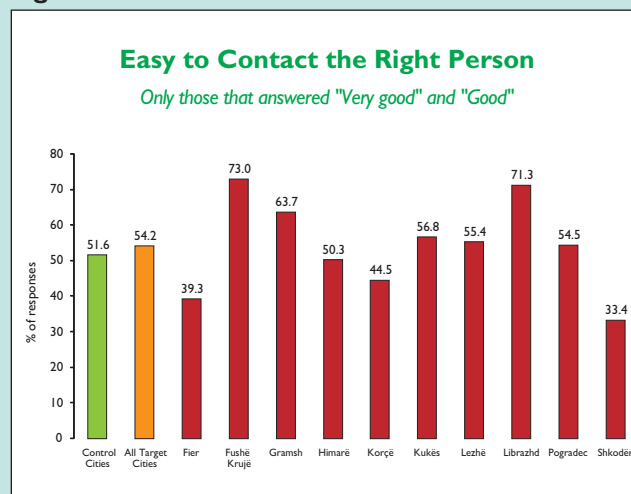


Fig. 15



- When clear and exact rules and procedures in the municipality are concerned Fushë Krujë, Lezhë, Korçë and Gramsh are highest in the satisfaction ranking (with respectively 79%, 72%, 71% and 70%). Other cities have no significant difference from the control cities results (61%) except Shkodër where less than half the citizens have rated this aspect as “very good” or “good” (Fig.16).
- When it comes to performance in general, most citizens in Lezhë (77%), Fushë Krujë (77%), Korçë (73%) and Pogradec (71.5%) rate it as “very good” and “good.” Cities that are doing worse in this respect are Shkodër (35%), Himarë (42%), and Fier 48%.

Fig. 16

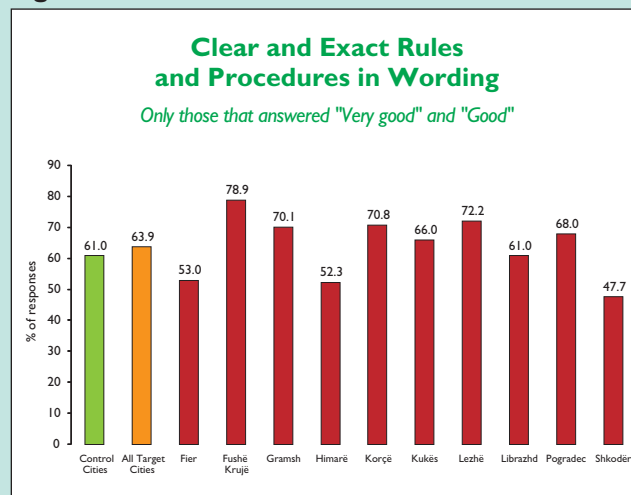
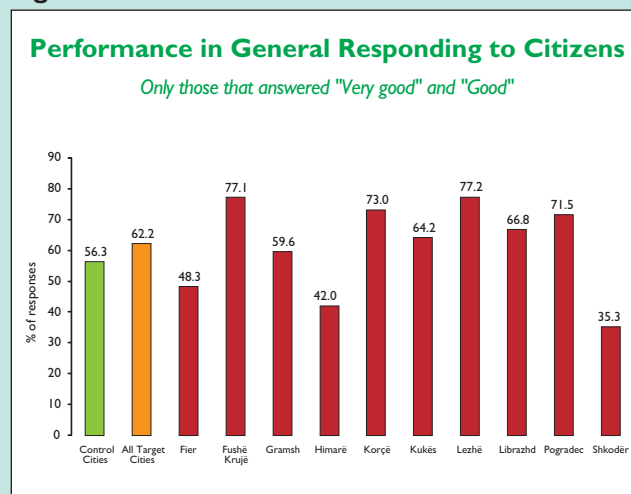


Fig. 17



- The results show that the feeling of trust and confidence is higher among Fushë Krujë citizens (74%) and Librazhd citizens (71.5%) as compared to control and target cities. Next in the level of trust and confidence stand Pogradec (66%) and Lezhë (65%) (Fig.18).
- Citizens in control cities are split in half on how they rate this aspect. There is no significant difference among other cities, except Shkodër which is rated less positively with 33.5%.
- Less than half the citizens in each target city or control city agree that local government welcomes them in the decision-making process. However, cities who are doing better in this regard as compared to others are Kukës (46.5%), Fushë Krujë (41.5%), Korçë (40%) and Pogradec (39%). Cities that citizens perceive as doing worse in this aspect are Gramsh (27%), Himarë (28.5%), Shkodër (30%) and Fier (31%) (Fig. 19).

Fig. 18

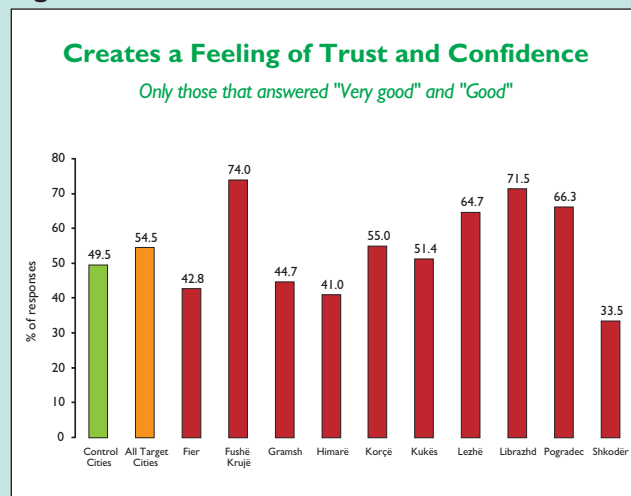
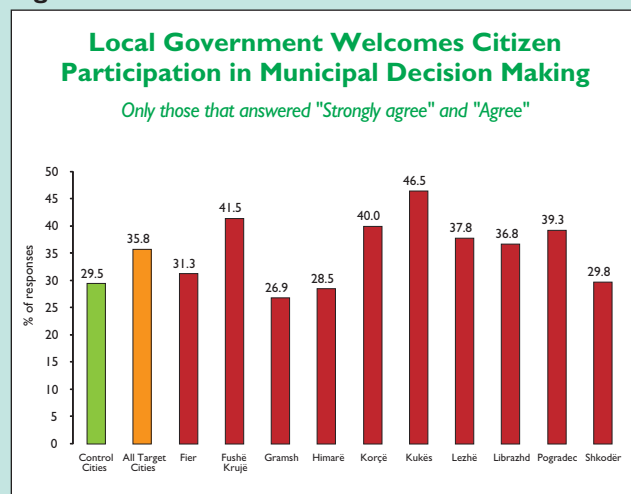


Fig. 19



- The citizens in target cities who agree with the fact that “Local Government welcomes citizen participation in decision making,” are fewer compared to the national sample of 2007 (Fig 20.)
- In most target and control cities, less than half the citizens think that they receive good services based on the taxes and tariffs they pay. Pogradec stands out with 59% of citizens agreeing that they receive good services followed by Fushë Krujë (50%) and Kukës (49%).
- When asked whether they know who to contact at the municipality when they have a problem, citizens in Librazhd (58%), Fushë Krujë (58%), Kukës (55%) and Pogradec (54%) were more positive compared to other target cities and control cities. Only one third of citizens in Shkodër agreed with this statement.
- Less than half the citizens in each target city or control cities agree that local government provides easy access to information (Fig.21). However, as compared to other cities, Lezhë, Kukës, Fushë Krujë and Himarë are doing better in this respect. Cities who are ranked lowest are Fier (22.5%) and Gramsh (22.3%).

Fig. 20

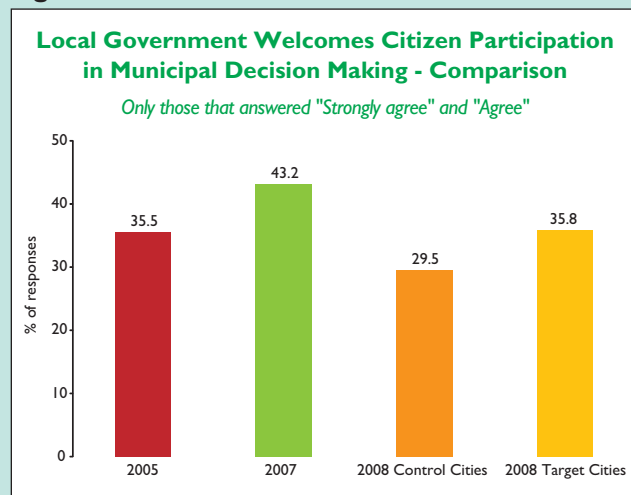
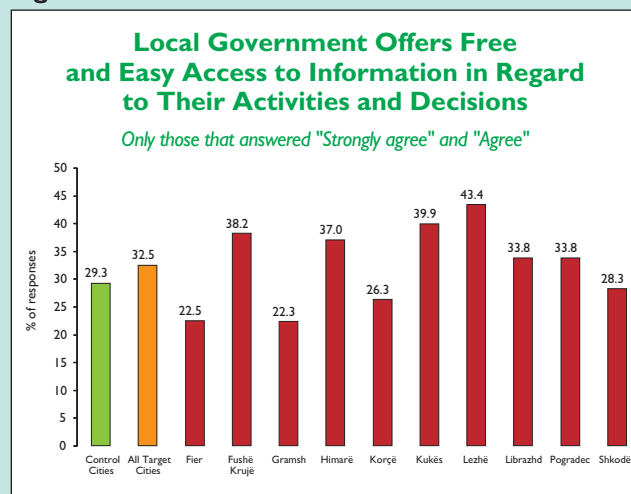


Fig. 21



- Less than half the citizens in all the cities surveyed agree that the local government is fair when awarding contracts. The same results are shown when citizens are asked if local government applies taxes in a fair way.
- There is no change in the opinion of citizens in the 2008 survey (control and target cities) about honesty of local governments in dealing with contracts compared to the 2007 national sample survey (Fig. 22). There is however a positive improvement compared to the national sample of 2005.
- Only a minority of citizens from target or control cities think that the local government maintains its promises. Again, Fushë Krujë citizens (48%) seem to be significantly more positive on this aspect when compared to other target or control cities.
- Citizens in Kukës (89%), Fier (81%) and Lezhë (79%) are more likely to think that locally elected officials pay more attention to what their political party requires rather than what is in the interest of the local community. These results are higher than in control cities or other target cities.
- A majority of citizens in Kukës and Pogradec think that their government keeps them informed on its activities. Most target cities are doing better than the control cities in this respect (Fig. 23).

Fig. 22

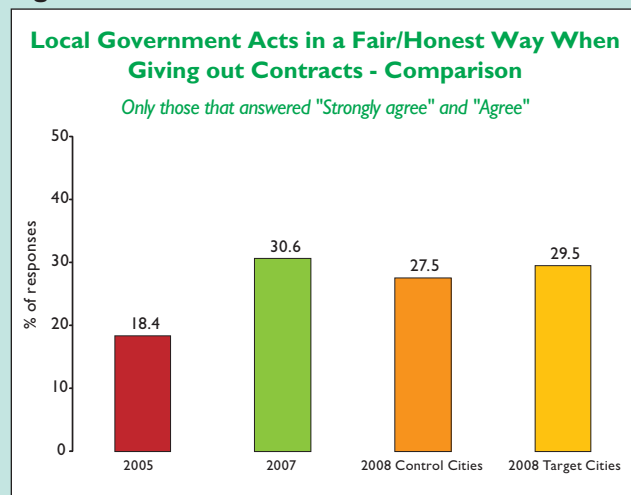
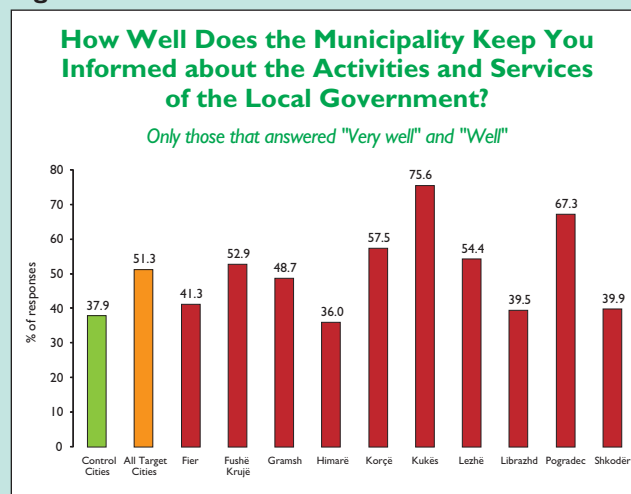


Fig. 23



- Some questions in the survey addressed directly or indirectly the issue of corruption perception. The majority of citizens do not believe that the local government manages funds well. A positive perception is however more frequent among Fushë Krujë citizens (45.5%), followed by Kukës and Lezhë (39.4% and 38.8% respectively). Other target cities like Librazhd, Himarë, Pogradec and Gramsh have no significant difference in their results compared with control cities. Cities who have received significantly low results are Shkodër (19.5%) and Fier (17%).
- Citizens in Shkodër, Fier, Korçë, Pogradec and Kukës who think that corruption is “very widespread” and “widespread” are significantly more than in the control cities and other target cities (Fig.24). This perception is less frequent among Fushë Krujë citizens (41%), Librazhd (43%) and Himarë citizens (49%).
- The perception about the spread of corruption among local government officials in the 2008 survey is very similar to the 2007 national survey and only slightly lower compared to the 2005 national survey (Fig. 25).

Fig. 24

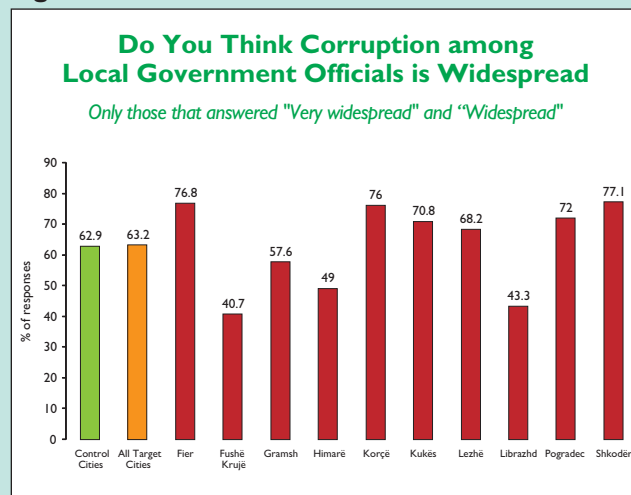
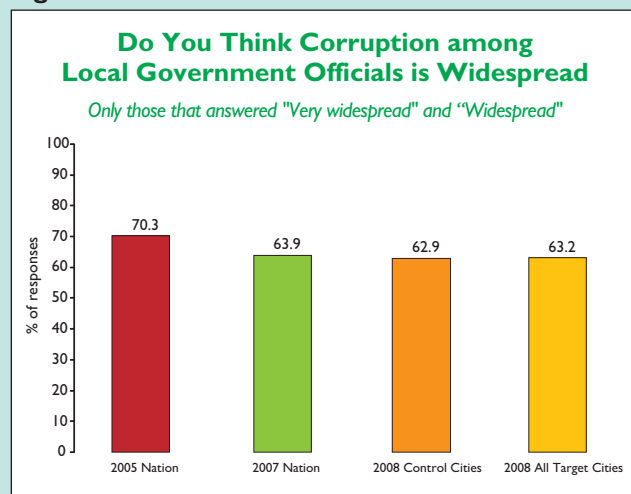


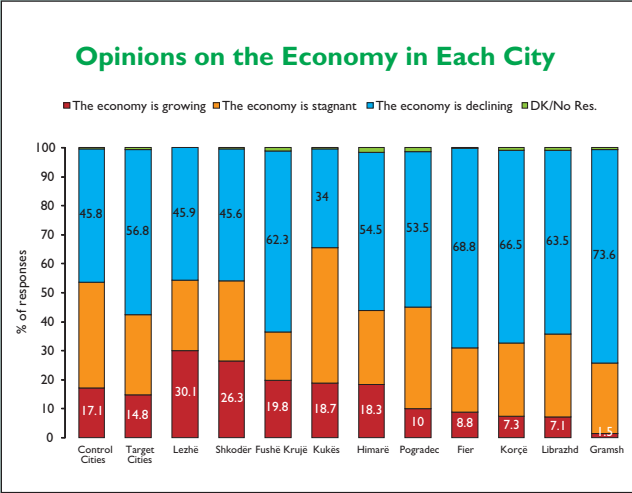
Fig. 25



Local Economic Growth Issues

- Most of the citizens in each city think that the economy is either “stagnant” or is “declining.” The worst view about the economy is found in Gramsh where almost 74% of citizens think that the economy is declining in their city (Fig.26). A large part of citizens think the same in the cities of Librazhd, Korçë, Fier, Fushë Krujë, Himarë and Pogradec. Comparatively, only 34% of the citizens in Kukes think that the economy in their city is declining.
- When asked about their living standards compared to 12 months ago, the majority of respondents in each city maintained that it has either stayed the same or has worsened. The highest percentage of people who declare a worsening of their living standards are in Korçë (52%), Fushë Krujë (52%), Fier (49.3%) and Gramsh (47%).

Fig. 26



Promising Sectors for the City

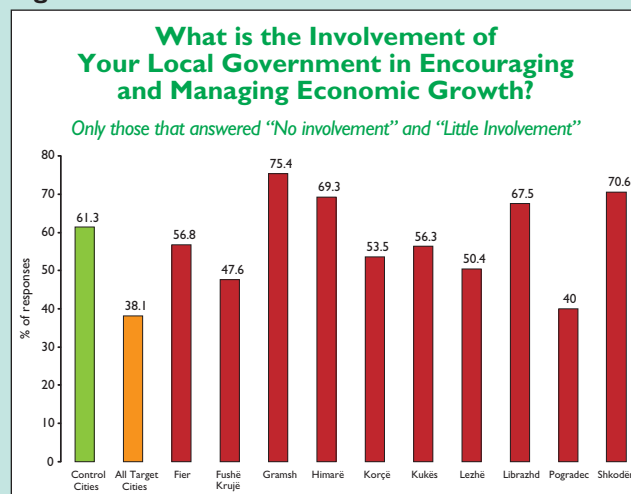
Respondents were also asked to give their opinions about sectors that might be promising for economic growth in their cities. Overall, tourism and construction received the most answers as promising sectors for economic growth. However, there are differences from city to city.

- Tourism was mentioned as a promising sector for city economic growth in Himarë, Shkodër, Pogradec, and Lezhë. Few people think that tourism is a promising sector in Gramsh and Fushë Krujë.
- A promising sector mentioned across all cities is construction. This sector was identified as promising for the city's economic growth by almost 90% of Fier citizens, 88% of Lezhë citizens, 84% of Korça citizens, and 82% of Pogradec citizens.
- Agro-processing is viewed as promising in Korça (73%), Shkodër (65%) and Fier (63%).
- Light industry is mentioned most frequently in Librazhd (66.5%) and in Korça (65.5%).
- Heavy industry is identified as a promising sector in Fushë Krujë by 53% of citizens.

Involvement of Local Government in Economic Growth

- In most of the cities the majority of citizens think that their local government has either little involvement or no involvement in encouraging and managing economic growth in their cities (Fig.27). Almost 75% of citizens in Gramsh think that their local government has no or little involvement, followed by Shkodër with 71%, Himarë with 69% and Librazhd with 68%. A better situation is found in Pogradec where only 40% of citizens think their local government has no or little involvement.

Fig. 27



- However, there are some signs of optimism about the future role of local government in managing economic growth. When asked about the future role (in the next 5 years) of their local government in economic growth more people think that it will have a role in this regard (Fig. 28). In Gramsh and Himarë, more than 50% of citizens still think that in the next 5 years their local government will have little or no involvement in encouraging and managing economic growth.

Local Government Borrowing

- Citizens were also asked about their opinions and acceptance of the idea for local government borrowing. In principle, citizens are inclined to favor local government borrowing. In most of the cities the majority of citizens responded favorably to the idea (Fig.29).The only exceptions were i) Fier where only 47.3% of citizens were in favor of borrowing and ii) Pogradec where the percentage of those favoring the idea is just 50%.
- However, when the respondents who favored the idea of local government borrowing were asked if they would still favor the idea if it results in higher tariffs for citizens, many citizens expressed their reluctance.
- Most of the citizens in Gramsh, Korçë, Shkodër, Lezhë and Librazhd, said that they would not favor the idea of borrowing if it resulted in higher tariffs. But in Himarë, almost 62% of citizens said that they would still favor the idea of borrowing even if it resulted in higher tariffs for citizens.

Fig. 28

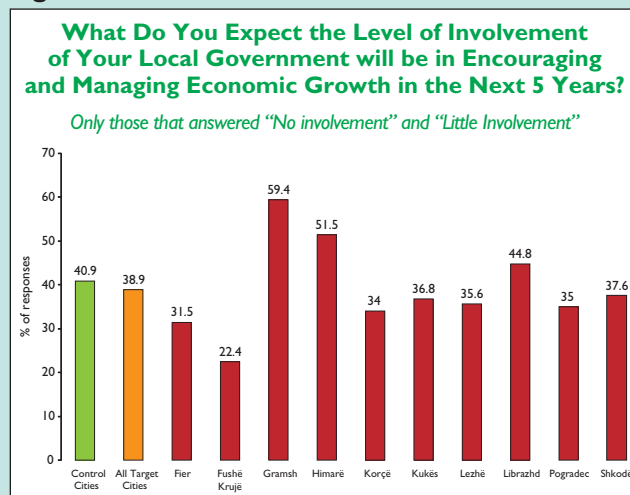
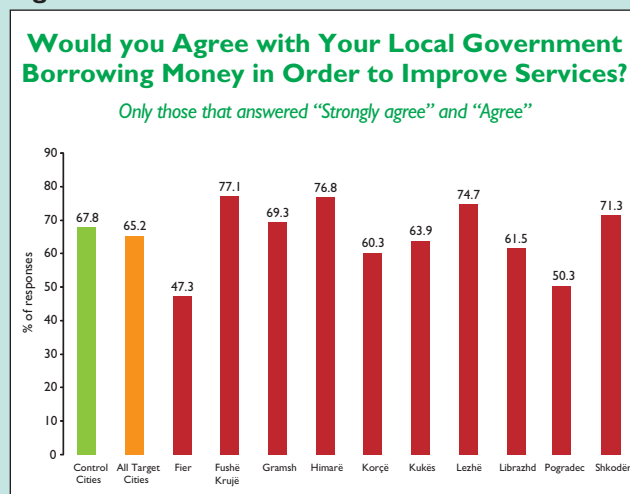


Fig. 29



Sampling Procedure

Selection of Sampling Points

A multi-stage design for sampling was used for LGPA target cities:

- *First*, each city was divided into clusters;
- *Second*, based on these major clusters, primary sampling units were designed (units of geographical area within the clusters).
- *Third*, from the total list of primary sampling units (PSU), approximately 40 PSUs were selected through a formula that generates random numbers. Approximately, 10 interviews were conducted in each of these units.

In the area covered by the Primary Sampling Units, the households were selected based on the Random Route Sampling method which is a classic method used when proper listing of residents is missing.

The sample for the control cities was designed differently, still ensuring broad representation. All control cities were considered as one sample universe. For the purpose of sampling, the database of Voting Centers in the 10 control cities was used.

The total universe was the voting population (18+). 80 sampling points/voting centers were randomly selected based on a random formula. Approximately, 10 interviews were conducted around each voting center.

Margin of Error

The margin of error for the target city samples is $\pm 4.8\%$ with a 95% confidence level. The margin of error for the control city sample is $\pm 3.5\%$.